

**A Manual:**  
**How to Conduct a Home-Based Business Survey**  
**for Twin Cities Neighborhoods**

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January 1997

Neighborhood Planning for Community Revitalization supported the work of the author of this report but has not reviewed it for publication. The content is solely the responsibility of the author and is not necessarily endorsed by NPCR.

Neighborhood Planning for Community Revitalization (NPCR) is coordinated by the Center for Urban and Regional Affairs at the University of Minnesota and is funded in part by an Urban Community Service Program grant administered by the U.S. Department of Education.

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## I. Introduction

### *Why Use this Manual?*

As home-based business command an increasing proportion of the workforce, it is crucial to learn more about their needs and their effect on the economy. The purpose of this manual is to offer a systematic process for Twin Cities'' neighborhoods to find and survey their home-based business residents. Over the past few years six Minneapolis neighborhoods have independently conducted home-based business surveys. This manual presents the tested and redefined approach learned from these previous surveys. Instead of having each neighborhood laboriously conduct the study without guidance, the Neighborhood Planning for Community Revitalization (NPCR) wanted to create a manual outlining the general steps to follow. While this manual is not the only way to conduct the survey, it offers helpful steps used in the past.

Think of this manual as a guide and a resource. It is important to remember the information presented is based on the experience of six Minneapolis neighborhoods. You may want to adjust some of this manual's recommendations to meet the needs and interests of your neighborhood and organization. It is crucial to take into account each neighborhood's unique characteristics when conducted a home-based business study.

### *The Significance of Home-Based Businesses*

Home-based businesses are becoming a common life-style choice. As they command an increased amount of the work force it is crucial that we learn more about them. They contribute to the economic stability of a neighborhood and provide additional work options for individuals who have previously struggled to be successful in the traditional labor market (Davidson, Jeffery P., 1991). Home-based businesses are increasingly large and important pieces of a community's economic development.

Although their importance is apparent to some, home-based businesses' lack of visibility economically and mobilization may challenge their success and acceptance. There is no official count of existing businesses, because the government does not constantly attempt to count them. Home-based businesses are also difficult to identify because owners may

not consider themselves a home-based business; or they may not identify themselves a home-based business for fear of taxes and zoning issues (Kern, Coralle S. and Wolfgren, Tammara H., 1989).

#### *The National Significance of Home-Based Businesses*

Nationally, around twenty-five million people operate home-based businesses, and an additional 6 million people work as telecommuters from home. A telecommuter is defined as salaried employees who work at home. A \$427 billion industry can be attributed to at home workers (<http://www.homeprofessionals.com/ahfacts.htm>).

Three general trends influence the sharp increase in the number of home-based businesses. The increasing number of women who want both a career and to have a family, the economy's increasing dependence on service/information based jobs from manufacturing based jobs, and improved technology advances which allow individuals to have the same capacity at home as they would in the traditional workplace helped encourage the growth of home-base work (Heck, Ramona et al., 1995). Other trends encouraging home-based work include: larger corporations downsizing and layoffs, increased opportunities for women, the handicapped, immigrants and minorities to achieve success from home-work; and retirement opportunities (Davidson, Jeffery P., 1991).

The different types of home-based businesses is vast. The National Association of Home Based Business (NAHBB) compiled a list of over 200 different categories of home-based businesses (<http://199.170.0.140/active.htm>). LINK, a private market research firm, offers a more condensed home-based business classification using four areas: the self-employed, telecommuters, corporate employees who take work home and moonlighters (Davidson, Jeffery P., 1991).

#### *Other Completed Studies*

Six other Minneapolis neighborhoods; Whittier, Powderhorn Park, Field Regina Northrop, CARAG and Marcy Holmes; have conducted home-based business surveys; the Central Neighborhood conducted a more informal assessment of their home-based businesses. These studies will be referred to throughout this report. In fact, it is beneficial to obtain copies to refer to while completing your study. All of the studies are available through the Internet at <http://www.freenet.msp.mn.us/org/npcr/> or call the Center for Urban and Regional Affairs (CURA) at the University of Minnesota at 625-1551. It is important to note, however, that these studies vary in depth. Some neighborhoods were merely interested in identifying the number of home-based businesses and others were more interested in learning about major issues through conducting this study.

Because all of these studies were completed within the past three years, it is too soon to completely understand the outcome of such studies. However, a one-year follow-up interview of the Marcy Holmes Neighborhood is informative. The project's results served as a catalyst to develop an organization to serve home-based businesses in the area using \$10,000 of the NRP funds. More generally, this study caused neighborhood organizations to think more about their local economic resources and ponder ways it could be strengthened. Although this is the first project to be evaluated, it provides positive feedback on the study. In general, it is helpful however to understand and learn from previous neighborhoods experiences thus far to help you shape your study.

## II. Identify Purpose/Objectives of Survey

### *Creating Timeline/Set Goals*

The first step of the project is to set a timeline and identify the goals of the project.

Everyone interested in the project should hold an initial meeting to clarify everyone's agendas and goals. Establishing this initial dialogue and formalizing the project's process will help alleviate future miscommunication and encourage project coordinators to stay on schedule. This would also be a good time to establish a weekly meeting for the project coordinators. Having a weekly meeting alleviates scheduling problems and facilitates continuous dialogue throughout the project. During the initial meeting(s) you should try to:

- come to agreement on general definitions and terms
- brainstorm and reach overall agreement on the study's goals and purposes
- draft a timeline
- set up a weekly or bi-monthly meeting for those interested in the study

You will want to reach an agreement on the definition of a home-based business. One of the problems in identifying home-based businesses stems from the discrepancy of their definition; people rarely agree on who they are. For the purpose of the study, you will want to come to an overall agreement on what constitutes a home-based business. An example from a previous study (the CARAG neighborhood) is as follows:

full-time or part-time self-employed individuals who derive income from home-based work (e.g. consultants, graphic designers, day care providers, chiropractors, massage therapists, artists, independent construction contractors) and individuals who are employed by someone else but work at home (e.g. telecommuters, Mary Kay Cosmetic Employees).

If this study is being done for a neighborhood organization, it is helpful to present the timeline and goals at a meeting. Other members of the organization can be good sources to bounce ideas off.

### *Objectives From Previous Studies*

Previous studies share similar objectives for conducting the survey. Identifying what home-based businesses exist in the neighborhood and starting a network between



neighborhood home-based businesses were the two overall purposes cited. Here are a few examples of previous purposes taken directly from their final reports:

#### Field Regina Northrop Neighborhood:

to assess the needs of homebased businesses, and help determine the role that the neighborhood should play in helping homebased businesses grow, in order to provide an information base for addressing homebased businesses in the Business Task Force's section of the neighborhood's Action Plan.

#### Whittier Alliance's purpose

to undertake a study of home-based businesses in it's area to determine the business needs and their economic impact on the neighborhood.

#### Marcy Holmes Neighborhood

The Economic Development Committee (one of the strategic committees set up through the NRP process, made up of neighborhood representatives)...decided to conduct a survey in order to identify as many home businesses as possible and assess their needs, and to use the results to formulate strategies for assistance. Preliminary strategies were to establish a local association of home businesses, to provide office or meeting space, and to set up a microloan program.

Although previous studies differed in the depth of their purpose, they all yearned to identify as many home-based businesses in the neighborhood as possible and figure out their overall needs.

#### **Warning:**

1) It is important to clarify the study's purpose and revisit the purpose throughout the study. Take a great deal of time to think about what you want to come out of the report. Some neighborhoods said their biggest regret was not fully understanding or clarifying their goals before administering the survey.

2) It is important to think about the issue of confidentiality. All previous studies have been confidential. Participants were ensured their names would not be publicly used. People are more likely to talk to you and be more open if the results are private. Yet, if one of your goals is to create a directory, you will need their permission to release their names. One solution may be to call them after a confidential study is released and ask them if they want to be included in a directory. Another solution would be to include as

a final question whether they would like to be included in a directory. It is important to; make sure to ensure them that all their responses are confidential. Nonetheless, it is important to consider what you plan to do with the results before and during the study.

#### *Additional Objectives to Think About*

Identifying home-based businesses and facilitating a network enables business owners to come together to have a collective voice. It may behoove business owners to collaborate efforts and ideas when dealing with government and broader issues. Home-based business owners need a catalyst to bring them together. Although this objective seems broad and in the future, conducting the study is the first small step in achieving this point.

#### *Obtaining Background Information*

Before researching the neighborhood, it is helpful to obtain national information about home-based businesses. While there are numerous resources to obtain information, this manual discusses three broad categories: library sources, Internet resources and key national organizations. It is not necessary to use all or only the sources mentioned; they are merely samples to work from.

A number of books have been written about home-based businesses. While an enormous quantity of books exist, the Reference section of this manual lists books used by other neighborhood studies. In addition to books, a few monthly magazines are specifically written for home-workers. If you cannot find these magazines in the library, the local bookstores should have them.

While the Internet should not be a substitute for written sources, it can provide useful additional information. Because web addresses change frequently, you should try using the various search engines. Try a variety of words associated with home-based businesses, such as “home-based businesses, telecommuters, small businesses...” However, because this method may be limited in its usefulness, it is wise to not devote much time on it. Some addresses that may be useful to try are:

- The Home Based Business Information Superhighway...  
(<http://199.170.0.140/active.htm>)

- Home Based Business Yellow Pages...  
(<http://www.tab.com/Home.Business/YellowPages/>)
- Small Office Home Office...  
(<http://www.soho.org/sohoamerica>)

Lastly, there are some key national organizations that provide background information about home-based businesses. It is best, however, if you have specific questions, because such organizations have a vast amount of information. A sample of such organizations are:

- Small Business Administration (SBA), Phone: (800) 697-4636
- Small Office Home Office (SOHO), Phone: (800) 495-SOHO
- The National Association of Home Based Business (NAHBB)
- LINK Resources (a private market research firm), Phone: (800) 722-5335
- National Association of Home-Based Businesses, Phone: (400) 363-3698

#### *Obtaining Neighborhood Information*

Gathering information about the neighborhood is important. If the individuals conducting the study are not familiar with the neighborhood, it is beneficial to visit neighborhood stores and walk around the neighborhood. Only a few hours are needed to complete this task. More time should be spent talking to neighborhood representatives and sitting in on neighborhood meetings. These individuals often have an inside look into the neighborhood and may know of some local home-based businesses.

It is important to obtain demographic information about the neighborhood. Specifically, you will want to know about the neighborhood's:

- population
- racial breakdown
- number of households
- number and percentage of renter-occupied units
- number and percentage of owner-occupied units
- average and range of income

It is helpful to compare this information with information about the home-based businesses. Both the Internet and the Census of Population and Housing provide this information. The Internet address is **<http://freenet.msp.mn.us/city/>** and the Census of Population and Housing can be obtained in a public library.

What other neighborhoods did: Most of the past reports use the statistics to describe their neighborhood. Some neighborhoods did not incorporate neighborhood statistics in their report. A few researchers compare their results to the neighborhood's population. This can be insightful and helpful in interpreting the results. For example, in the report done for the CARAG neighborhood, the student intern was able to compare the racial makeup of the business owners surveyed to the racial breakdown of the neighborhood. Forty-two out of the 43 business owners interviewed were Caucasian. Initially, the research intern thought this number was overwhelmingly biased towards Caucasians. But, the neighborhood statistics matched the high number of Caucasians in the neighborhood. Thus, understanding and incorporating neighborhood statistics into the report can be useful.

### III. Creation of the Survey Instrument

#### *Guidance on How to Structure Questions*

Other home-based business surveys are the best resource for developing questions. All of the past neighborhood reports include their survey instrument. Previous studies can be found on the web <http://www.freenet.msp.mn.us/org/npcr/>, by calling the neighborhood organizations, or in the CURA library in room 330 of the Humphrey Center. Appendices A and B include samples of past survey instruments. Remember to think about what the purpose of your survey when developing questions. After each question, ask yourself, “for what will we use this information?” and “do we really want/need to know this about home-based businesses?”

The question’s structure depends upon the survey’s intended use. For example, if you just want information about what home-based businesses exist in the neighborhood, closed-ended questions are good. These include questions such as “How many years has your business been operating: 0-1 years, 2-3 years, 4-6 years, 7-9 years, or 10 or more years?” Conversely, if you are more interested in home-based businesses’ issues and opinion, open-ended questions are more appropriate. Or a mix of questions can be useful. Additionally, it is easier to tabulate closed-ended questions.

Try to keep the survey short; home-based business owners will be more inclined to offer their time. Write your questions to be asked over the phone. Past studies have found that phone interviewing is the most effective method. Researchers found phone interviews to be more efficient and they were able to obtain more responses (Please refer to the section: *Telephone Vs. Written Interview*). See Appendix A and B for sample surveys.

If you would like additional help or advice about your survey instrument, call the Minnesota Center for Survey Research at 627-4282. Additionally, there is a vast amount of literature on creating questions. Floyd J. Fowler, Jr.’s book Survey Research Methods has a good chapter devoted to this topic; Chapter 5, *Designing Questions to Be Good Measure*.

### IV. Methods for Identifying Home-Based Businesses

Identifying home-based businesses is perhaps the most challenging part of the project. Past studies have used a variety of methods and their success depends upon the neighborhood. It is worthwhile to try a number of methods. But depending upon your time-frame it is helpful to think about the most effective way to use your time. You may want to try a few methods or a number of them. The following paragraphs describe the various methods and lists their advantages and disadvantages.

#### *Word-of-Mouth*

Ask everyone you know in the neighborhood what home-based businesses they know. Ask at neighborhood meetings and use the neighborhood organization's task forces to find names. Once a few names are known, it is often easy to network from known home-based businesses.

Advantages:

- past studies have found a majority of home-based businesses this way
- reliability
- home-based business may be more inclined to talk to you if you mention a familiar name
- its free

Disadvantages:

- it is neighborhood dependent and varies in usefulness

#### *Minnesota Secretary of States Office*

Get a list of assumed businesses names and incorporations from the Minnesota Secretary of States Office. Specify that you want a list from the last six months to a year. They offer this information by zip code and for a fee. The number to call is 296-2803. They will mail you a massive list of names. Eliminate businesses that you know are not home-based businesses according to either location, personal knowledge and with the help from the neighborhood representative's task force. Send letters to remaining potential home-based businesses explaining the study.

Advantages:

- past studies have found a number of home-based business this way
- the list provides a number of home-based businesses that would otherwise be hard to find

Disadvantages:

- phone numbers are not included

- it requires a great deal of work to track down the businesses
- there is a fee depending upon on how many names are identified
- not all business owners know how to do an Assumed Name Certificate and would not be included in this list
- this list often does not mention the business owner's name

### *Fliers*

Create a one-page flier that attracts home-based businesses. Include a quick and “catchy” phrase and a phone number of someone they can contact (be sure to define what a home-based business is), See Appendix E for a sample flier. Post these fliers in neighborhood coffee shops, banks, copy centers and other places in the neighborhood. You can also mail the fliers with or without the introductory letter, do door-droppings and have the fliers available at neighborhood fairs and events. It may behoove you to post fliers in local businesses who offer services/products that home-based businesses may use.

Advantages:

- a few businesses may find you
- it advertises the study and could help add credibility

Disadvantages:

- the effectiveness is “hit-or-miss”
- people may call you well beyond the end of the study
- there is a cost

### *Local Newspaper Advertisements*

Another trick is to look at the classified advertisements in the back of neighborhood newspapers. Home-based businesses oftentimes do not include their address; only their phone number. Call the businesses that have a prefix that may fall in your neighborhood. Explain the study to them, ask them if they live in the neighborhood, and either offer to send them more information or do the interview depending upon what they feel comfortable doing.

Advantages:

- its not too time-consuming
- you can get lucky

Disadvantages:

- it is somewhat challenging to explain the study over the phone
- they may be skeptical of you

### *Business Cards*

Local coffee shops and stores sometimes have bulletin boards where people post their business cards. Either take a spare card or write down the address and phone number. Again, home-based businesses oftentimes only offer their phone number. Call them and explain the study to them.

Advantages:

- it is quick and easy to do

Disadvantages:

- again, it is somewhat difficult to explain the study over the phone

### *Local Newspaper Articles*

Call the local newspapers, ask them if either you can write an article or if they will write an article about the study. In the article write a brief summary of why your doing the study and what is happening. Include an interesting statistic about how many home-based businesses you think are including in the neighborhood or a fact that demonstrates the growing importance of home-based businesses. At the end of the article include a contact name and phone number, and urge home-based businesses to call to identify themselves.

Advantages:

- a number of people read the local newspapers
- readers may call you if they know a home-based business
- it adds credibility to the study

Disadvantages:

- the date the article's published may depend upon the newspaper's agenda
- the article may get placed in an obscure section of the newspaper

### *Business Organizations*

Contact local or regional business organizations to see if any of their members are home-based businesses located in your neighborhood. The CARAG neighborhood, for example, found four names of home-based businesses from the Home Based Business Association of South Minneapolis. Look in the phone book and ask around for similar kinds of organizations, and call them. Focus on associations that are service-oriented and conducive to home-based businesses.

Advantages:

- you may get lucky

Disadvantages:

- there is probably a fee
- organizations may not be cooperative



- businesses that belong to such organizations may be more active and visible than other ones, so you may find them anyway

### *Gold Book*

Minneapolis has a gold book that lists a variety of businesses which are involved in the media and advertising industries. You can find the Gold Book in the Minneapolis Public Library downtown. Take an hour or so to skim through the book for your neighborhood's zip code. Call these business to see if they are home-based or not.

Advantages:

- takes little time

Disadvantages:

- its hit or miss

### *Reverse Directory*

The Reverse Directory is found in the Minneapolis Public Library downtown. You can locate phone numbers by street address and it is useful in two ways. First, it may provide phone numbers for home-based businesses on the Minnesota Secretary of State's list. Locate their phone numbers according to their street address. Second, if your neighborhood is small enough, look through the streets in your neighborhood and look for addresses with two phone lines. While this is not a guarantee that it is a home-based business, it cannot hurt to try.

Advantages:

- this is very useful to use in conjunction with the Minnesota Secretary of State's list
- it enables you to find unlisted numbers

Disadvantages:

- you have to go to the library to use it
- if you have a large neighborhood, it can take a while to look through the streets
- the name and numbers are not guaranteed to be home-based businesses
- you still have to call all the numbers

### *Door Knocking*

Door knocking is another method to locate home-based businesses. Some neighborhoods, such as CARAG, combined information about the home-based business studies in addition to other door knocking or literature drops they were already doing. Other businesses door knocked specifically for the study.

Advantages:

- its easy to combine literature about the study with door-knocking and literature drops already in progress

Disadvantages:

- it is very time consuming
- you may only get a few names
- people may not be home; you may have to door knock a couple of rounds for it to be effective

### *Neighborhood Events and/or Fairs*

If your neighborhood is holding an event or a fair, have a booth or area designated to explain the study. Have a representative available to answer questions. Post fliers that say “If you’re a home-based business, we want to know how we can help you.” Have them sign a list if they are interested. Do not leave it up to them to contact you again.

Advantages:

- you can talk to a number of people in a relatively short time frame
- at the very least, it takes little effort to post fliers

Disadvantages:

- you may only get a few names
- it is probably more effective to have someone available to answer questions--which is more time consuming

### *Neighborhood Meetings*

Attend neighborhood meetings, such as block club meetings. Explain the study and ask if anyone has or knows of home-based businesses in the neighborhood. If you can talk to block club representatives, this is an effective way of scouting the neighborhood for businesses.

Advantages:

- people who attend meetings are often active in the neighborhood and may know a lot of people
- this is a great way to network

Disadvantages:

- can be time-consuming

### *Method Rating*

It is difficult to generalize which methods are best for all neighborhoods, because all neighborhoods are unique. It is helpful, however, to note which methods have been most effective in previous studies. The following table, ranks the methods according to the number of names found. It is incomplete due to the report’s variations in describing how

they found the names and if they confirmed them to be businesses or not. Yet, we still felt it could be useful to get a general feel for how and how many names were found.

| Number of Names Found per Method | Marcy Holmes | Whittier Alliance | Field-Regina Northrop | Powderhorn Park | CARAG |
|----------------------------------|--------------|-------------------|-----------------------|-----------------|-------|
| Word-of-mouth                    |              | 91*               | 20*                   |                 | 26    |
| MN Sec of State                  |              | 91*               |                       |                 | 60    |
| fliers                           |              |                   |                       |                 | 3     |
| Local newspaper ads              |              |                   |                       |                 | 2     |
| Business cards                   |              |                   |                       |                 | 1     |
| Local newspaper articles         |              |                   |                       |                 | 4     |
| Business organizations           |              |                   |                       |                 |       |
| Gold Book                        |              |                   |                       |                 | 3     |
| Reverse Directory                |              |                   | 50*                   |                 | 3     |
| Door knocking                    |              |                   |                       |                 |       |
| Neighborhood events/fairs        |              |                   |                       |                 |       |
| Neighborhood Meetings            |              |                   |                       |                 | 58    |
| Total names identified           | 41           | 182               | 70                    | not specified** | 160   |
| Number of business surveyed      | 27           | 33                | 26                    | 6               | 41    |

\*These numbers are estimates because they were not specifically stated in the report

\*\*Powderhorn did not report the total amount of names found or specifically how they found them

Because the surveys differs in the amount of detail they include in their reports, this table is incomplete. Yet, this table and past neighborhood representatives involved in the studies imply that word-of-mouth and the Minnesota Secretary of State's office provide the largest list of home-based businesses. Overall, every neighborhood should consider these two options. It is important to remember that each of these methods will have differing results per neighborhood and it is best to adopt the method which best suites the researcher and the neighborhood.

## V. Administering the Survey

### *Run Two Pilot Surveys*

Conduct two pilot interviews over the phone with home-based businesses located in or outside of the neighborhood. This enables you to rewrite unclear questions and become more comfortable conducting the interview.

There is another pilot survey method which helps ensure that you and the interviewees interpret the questions similarly. Read each question to the mock interviewee. Instead of having them answer the question, ask them to tell you what they think each question is asking. While it may be time-consuming to do this for the entire interview, it is a good idea to do it for some of the more complex/confusing questions.

### *Send Introductory Letter*

It is worthwhile to send an initial/introductory letter to home-based business owners.

Because you're working with business owners it is good to be professional and respectful of their time. In the letter, briefly explain the purpose of the study and tell them you'll be calling them in a week or so to set up a time to conduct a phone interview. Include your phone number in case they would like to contact you for questions or to schedule a time. See Appendix C for a sample introductory letter.

### *Follow-Up Phone Call*

Start calling businesses a few days to a week after the letter was sent. Some businesses will be able to do the interview right then or some will prefer to set a time. Be prepared to do the interview just in case. It may behoove you to set up blocks of times in which the business owners can call you back.

### *Telephone Vs. Written Interview*

You may wonder why we only discuss doing phone interviews. Past experience and response rates support telephone over written interviews. The benefit of written interviews is that participants can complete the survey at their convenience. The drawbacks are you can't ask probing or clarifying questions and many of the interviews will never be mailed back. While it is more time-consuming, you are in more control of

completing the interview over the phone. After you've made a number of unsuccessful attempts to contact a business by phone or if you don't have a current phone number, send them a written interview with a stamped return envelope and a note asking if this would be easier. This is a rather harmless last attempt to reach businesses, but it does cost money!

## VI. Writing the Report

### *Result Tabulation*

Before tabulating the results, it is beneficial to set a cut-off date to stop conducting interviews. You may get a number of calls for interviews. You have to decide if you want to conduct the interview which requires you to recalculate the results. One or two new interviews is usually not a problem, but it can become a hassle and increase the chance for calculation errors.

It will be easier to count closed-ended questions. Simply count the number of responses in each answer category. Open-ended questions are harder to tabulate. If some of the responses are identical or similar, you can group them together. The question that asks: “What are the advantages of operating a home-based business in XXXX neighborhood?” A number of participants may say the location is good because of its proximity to downtown. Thus, one method is to write out a generic response with a number of how many people said this or something very similar.

### *Sections to be included in the Report*

Although the content of the report is up to you, there are important sections to be considered. The following bullet points layout a typical outline of a report and briefly discuss each section.

- *Acknowledgments*

Give credit to the people and organizations that helped you. Include a paragraph thanking everyone whose information and time made the project more manageable.

- *Executive Summary*

Write a one to two page summary about the project and its findings. Some of the reports can get detailed and lengthy. Readers appreciate a brief summary of important points.

- *Purpose of the Project*

Devote a paragraph or two describing the purpose and goal of the study. While you should briefly mention this in the Executive Summary, a more detailed purpose description is helpful.

- *Background Information*

Incorporate a few pages to outline the neighborhood's characteristics and national information about home-based businesses. While some people who read your report will be familiar with home-based businesses, some will not. Give them background information which explains home-based businesses' importance and growth in the United States. Write these pages aimed at the skeptic who may not think home-based businesses are important; try to convince them in a concise and effective manner.

- *Method and Process of the Study*

Because this is a research project, it is important to include a section defining the methods and processes used to find the home-based businesses. Describe how you defined, located and surveyed the business.

- *Summary of Results*

A lot of readers will find this the most important section of the report; what did you find out? Because this section is dense, it is helpful to break it up into major subheadings. In past reports, this section is the largest and most informative. Write as concise and clear as possible.

- *Conclusions and Recommendations*

It will benefit the neighborhood organization to have a precise set of conclusions and recommendations. What should they do with these results? What is their importance? This is a challenging part of the project. Talking to other people and seeing what previous reports said can be helpful.

- *Appendices*

Lastly, include appendices of all your letters and materials. The survey instrument, raw data results, sample letters and newspaper articles are some examples to be included. Including this information is beneficial both for your readers and for other neighborhoods who will conduct a similar study in the future.



## VII. Utilization of the Report

As the early part of this report notes, this is the least understood part of conducting a neighborhood home-based business survey. Because the surveys are relatively new, their outcomes are not yet clear. However, this should not discourage you from thinking about the use of your own report.

Here are a couple of suggestions to help you think about utilization: 1) Reflect upon initial goals and purposes of the project. Did your results match your initial goals and purposes? 2) After your final report is complete, hold a special neighborhood meeting for those interested or devote time during an established neighborhood meeting to discuss results. During this meeting establish (a) task force(s) to address the issues that arise from the study. Delegating responsibility will help ensure that results will occur.

At subsequent meetings, set a timeline and goals for using the report. Establish periodic check-points in which the task force or the neighborhood organization assesses progress, and reassesses the timeline and goals.

### *Other Neighborhood's Outcomes*

Brief phone conversations were held with neighborhood representatives in attempt to find out what has come from past reports. The following bullet points highlight the main outcomes:

- *Powderhorn Park*: This study was completed in the summer of 1995. Immediately after the study's completion, the neighborhood organization held an informal meeting of home-based business owners. From these meetings, a somewhat informal business network has been formed which is beginning to meet semi-monthly. Although the member mailing list consists of 93 people, the neighborhood representative hopes it becomes more active and formal.
- *Field-Regina-Northrop*: A home-based business survey was conducted twice for this neighborhood. The first one was completed three years earlier and the neighborhood representative expressed frustrations that by the time they had the time to use the results they were outdated. Additionally, they regretted not asking respondents for

permission to use their name in a business directory. Due to these problems, they conducted another survey this summer focusing on obtaining names and creating a directory. Currently, they created a directory of several hundred names (including storefront business) and are happy with this outcome.

- *Whittier Alliance*: While the neighborhood representative was happy with the study, she claimed that their organization lacks the staff or volunteers to create a business directory as they initially intended. This study was completed in November of 1995.
- *Marcy Holmes*: This study was completed in May of 1994. The outcome of the study lead to the neighborhood organization setting aside funds to set up a home-based business organization. The Southeast Homebased Business Association was established and currently has about 90 people on its mailing list.
- *CARAG*: This study was the most recently completed survey. Because it was finished in the fall of 1996, the neighborhood organization is just beginning its utilization phase. They have set up an economic development task force to begin working on the study's recommendations and possible to set up a network.
- *Central Neighborhood*: Central created a home-based business network and hold monthly meetings focused on various topics such as advertising and taxation.

### *Problems and Limitations*

Neighborhoods who have completed the reports express frustrations about utilization.

Although many of them have set up networks or directories, it is clear that future neighborhood who conduct the study could benefit from some tips and guidance on how to make the most of their study. Unfortunately, it is too early to completely understand the outcomes and uses of the reports, and it is beyond the scope of this paper to analyze the problems. A separate study needs to be completed which analyzes the completed reports and interviews key stakeholders of the project. Until that step is undertaken, it is beneficial to spend a substantial amount of time thinking about the purpose of the study. Think realistically about what your organization can accomplish with the results.

### *Overall Suggestions*

The following bullet points highlights potentially helpful tips to think about during the survey's process. It is important to note that these suggestions come solely from one student intern's opinion and experience. Use them as you desire.

- You may want to consider other sequences of activities for completing the study. For example, you may want to contact home-based businesses to get together for a focus group and then proceed to survey them after some kind of network is established. It is important to think about what would be most effective from your neighborhood,
- If you are going to hire a student intern to conduct the study, consider offering a full-time summer internship. It may be easier for the student to complete the survey during a brief, intense time rather than during the school year. The student may have an easier time reaching the respondents.
- Have the student intern or researcher designate blocks of time in which they will be at a certain phone number. If potential respondents are not home leave a message saying you'll call them back or they can call the researcher at during the allocated time. While the researcher should always be proactive in contacting the respondents, this will allow the business owners flexibility in contacting the researcher.
- It is beneficial to include any newspaper articles or publicity with materials sent to the respondents. If such articles or information is available to the respondents, the survey will appear more credible.
- Although neighborhood organizations have limited funds, offering something to the home-based business owners may increase their interest in participating in the survey. Instead of relying on a tangible item, it may behoove the survey if fliers and letters say something similar to "we want to support you."
- When tabulating the data, the CARAG report found it useful to do it manually. While there are benefits to using a computer, none of the past studies interviewed more than 45 home-based business owners. Manual tabulation enables the researcher to gain an overall understanding of the interviews. Yet, if a large number of interviews are conducted, it may be wise to use a computer to compile the data.
- Send respondents final results as courtesy and to begin home-based business organizing process

Sample Survey Instrument from CARAG

*CARAG HBB Survey*

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_

I. Demographics and Background Information:

Marital status: Married or Single

Sex: Male or Female

Race: \_\_\_\_\_

Age: \_\_\_\_\_

1) What type of work do you do from your home? Describe your business...

2) Are you self-employed, do you work for an employer or both?

3) Why do you work at home?

Low overhead

Tax Break

Can do more work

Independence/Entrepreneurial spirit

Creative expression

Have no choice (laid off)

Family or children concerns

Retirement activity

Flexibility, control

Other (specify) \_\_\_\_\_

4) Do you operate a home based business...

-full-time or part-time

(please circle one)

-seasonally or all-year (if seasonal, specify which season \_\_\_\_\_)

5) On average, how many hours per week do you work? \_\_\_\_\_

10 or less

11-20

21-30

31-40

41-50

Over 50 (specify \_\_\_\_\_)

How many hours are you actually working at home? \_\_\_\_\_

6)How many years have you operated your HBB? \_\_\_\_\_

1 year or less

1-5 years

6-10 years

More than 10 years

7)Do you have any employees? (please circle one) Yes or No If yes, how many? \_\_\_\_\_

8)For the purpose of knowing how much income home-based businesses in the neighborhood generate, in what range does your annual salary for your HBB fall? (please circle one)

\$0 to \$5,000

\$50,000 to \$69,999

\$5,000 to \$9,999

\$70,000 to \$99,999

\$10,000 to \$29,999

Over \$100,000

\$30,000 to \$49,999

9)What level of formal education have you completed (please circle one)?

Some high school

Junior College-Associate degree

High school

College graduate

Trade/Vocational school

Graduate degree

Some college

Currently a student

10)Do you own or rent your home/apartment?

own or rent (please circle one)

home or apartment (please circle one)

11)Have you improved your property for your HBB? If yes, how?

12)Who are your clients and where are they located?

## II. Home-Based Business Issues

### Background Information

What are the main advantages of operating a HBB?

What are the main disadvantages?

### Services

Where do you get information/ answers to your questions on how to run your business (please circle all that apply)?

Other home based business owners

Public Library

Mass Media (newspapers, radio, TV)

Internet or other on-line services

Small Business Administration

Friends

Small Business Development Centers

County Court Offices

Department of Commerce (State or U.S.)

Other \_\_\_\_\_

What type of information or services would be most helpful to your business? (Please check those services that you are already using and circle those that would be helpful for your business)

|   |                              |
|---|------------------------------|
| Financial record keeping/accounting/bookkeeper            | Small business Community     |
| development corporation                                   | Pricing your product/service |
| Legal aspects of a business/Lawyer                        | Small Business               |
| Administration  |                              |
| Tax expert  | Construction/remodeling      |
| Promotion (advertising/publicity)                         | Technical assistance (e.g.   |
| Professional association seminars                         | Time/Space management        |
| Family involvement and coping skills                      | Business Plan                |
| development   |                              |
| City state business development offices (MCDA or MN DTED) |                              |
| Info. about government regulations                        |                              |
| Other _____   |                              |

Do you have difficulty finding these services, do you need help finding them?

Do you currently have and use in your home...(or plan to have them?) (please circle all that apply)

|                 |                    |
|-----------------|--------------------|
| Computer        | Cellular telephone |
| Fax machine     | Pager              |
| Copy machine    | Voice Mail         |
| Internet access |                    |

Do you own or lease equipment? (circle once) own or lease

How many phone lines? \_\_\_\_\_

### Insurance and Regulations

Do you currently have (please circle those you have):

Health Insurance (either individual, other personal employment or through your spouses employment)

Liability Insurance (business)

Life Insurance

Professional Insurance (E&O or others)

Home Insurance (do you know if it covers your business?)

Is insurance an issue for you, either for business or personally?

Are you aware of the local zoning ordinances? yes\_\_\_ or no\_\_\_

Have you had any problems with inspections/zoning for your business?

Does your business need to be licensed by the city? yes\_\_\_ or no\_\_\_

What has been your experience in obtaining a license?

The CARAG Neighborhood

What are the advantages of operating a HBB in the CARAG neighborhood?

What are the disadvantages?

What businesses or services does your business currently use? (Please circle all that apply) If yes, are they in the neighborhood?

restaurants/delis

Post office/Federal Express/UPS/Mail Box

Etc.

coffee shops

Subcontractors/other home-based businesses

Copying

Printer

Banks

Computer supplier

Other \_\_\_\_\_

None of the above

What additional businesses or services would you like to have in the neighborhood for your business?

Do you plan on staying in the CARAG neighborhood?

Yes\_\_\_ No\_\_\_

If no, why do you plan to leave?

Advertising/Promotion

How do you promote your business?

Have you used any of the local/neighborhood newspapers such as the East Calhoun News, Southwest Journal, Lake Area News? yes or no

Financing/Expansion

How do you finance your home work/business? \_\_\_\_\_

Do you feel you have adequate funding to operate your business? yes or no

Some people classify home-based businesses into two categories-1) *Transitional* (in which growth translates into leaving the home) and 2) *Lifestyle* (in which owners have no intention on leaving the home) Which category would you classify yourself and are you planning on expanding your business?

Traditional\_\_\_Lifestyle\_\_\_

Yes\_\_\_ No\_\_\_ If yes, please answer the following question

How do you intend to expand (please circle all that apply)?

Physical expansion

Add employees/increase personal

hours

increase sales

upgrade equipment

shift/expand business focus

Do you have the need for occasional office space, to meet with clients or hold larger meetings?    Yes\_\_\_            No\_\_\_

If yes, what kind of space (please circle those that apply)?

conference space

meeting hall

office space

secretarial space

other\_\_\_\_\_

Networking

How interested are you in meeting other home-based businesses to network and share information (please circle one answer)?

very interested

somewhat interested

possibly interested

not interested-why

not...\_\_\_\_\_

What would you hope to gain from meeting with other home-based businesses?

Would you be interested in being listed in a neighborhood directory for distribution within the neighborhood to all residents and businesses?    Yes\_\_\_            No\_\_\_

What do you think CARAG should do to help home-based businesses?

What do you think Minneapolis should do to help home-based businesses?

How do you think your business can help CARAG?

Are you aware of other home-based businesses in the neighborhood that I could contact?

Other comments/suggestions:



## Appendix B

### Sample Survey of Marcy Holmes Neighborhood

Assume previous contact and agreement to do interview; read following if necessary:

(Introduction: Hello, name is XXXX. I am working with the Marcy Holmes Neighborhood Revitalization Program, or NRP, doing a survey of people who work from their homes or run home-based businesses. Are you familiar with the Marcy Holmes NRP? (If not: the neighborhood's boundaries, made up of all local residents and business owners, purpose of NRP, etc.). The Economic Development Committee is one of the committees of the Marcy Holmes NRP, and in thinking of ways to support local employment opportunities in the neighborhood, the people on this committee want to find out more about home-based businesses and what their needs are. I'm going to ask you about 20 questions about your business, and it should take about half an hour. All the answers that you give will be confidential--your name will not be attached to your answers and your answers will be compiled with many other respondents' answers. Feel free to ask me to repeat or explain any of the questions that aren't clear to you. Do you have any questions before we start?)

Name:

Address:

Phone:

First, I have some general questions about your business.

1. What is the work that you do from your home?
2. Are you self-employed in doing this work, or do you work for an employer? (Self-employed/Company)

(If self-employed:) What is the legal structure of the business:

(don't read):

- ☐ sole proprietorship
- ☐ partnership
- ☐ corporation
- ☐ non-profit
- ☐ other \_\_\_\_\_

3. About how many hours per week do you work at home on average?

- ☐ 0-10 hours
- ☐ 10-20 hours
- ☐ 20-30 hours
- ☐ 30-40 hours
- ☐ more than 40 hours

Do you have another office or location where you also do this work? (Yes/No) (If yes:)  
What portion of your work is done from your home?

Do you have another job besides your home-based work/business? (Yes/No) (If yes:)  
About how many hours per week do you work at that job?

- ☐ 0-10 hours
- ☐ 10-20 hours
- ☐ 20-30 hours
- ☐ 30-40 hours
- ☐ more than 40 hours

4. Do you have nay employees besides yourself? (Yes/No) How many?\_\_\_

5. How many years have you been operating your home-based business/been working from home?\_\_\_\_\_ (Has it been operating from the home since it started? Yes/No)

6. Now we'll move onto questions about the operation of your business and your business needs.

Why did you decide to work from your home?

Are there any other advantages to working from your home?

What are the key disadvantages?

Assuming that your business could always be more successful than it is now, what would you say is the major obstacle to (greater) success of your home-based business work?

7. Advertising: I'd like to know how you find your customers. I'm going to read a list, and please tell me which of the methods that I mention you have used to find customers:

- ☐ word-of-mouth
- ☐ business cards
- ☐ brochures
- ☐ active networking
- ☐ newspaper advertisements
- ☐ radio advertisements
- ☐ trade shows or fairs
- ☐ involvement in an association or group
- ☐ other:\_\_\_\_\_

What are the primary methods you use?

Do you feel that you could use help with marketing or advertising? (Yes/No)

What type of help?

8. Moving on to service needs:

I'd like to know next what types of professional services you've used. I'll read a list, and please tell me which of these you have used in either starting or operating your home-based business/work:

- ☐ lawyer
- ☐ bank
- ☐ accountant/bookkeeper
- ☐ tax expert
- ☐ small business consultant
- ☐ community development corporation
- ☐ Small Business Administration (SBA)
- ☐ city or state business development offices (MCDA or MN DTED)
- ☐ other: \_\_\_\_\_

Would you use any of the above services if they were available specifically for home businesses throughout the neighborhood at a reduced cost? Which one would be the most important?

Would you be interested in a list of these types of services especially serving small and home businesses?

9. Do you feel that you have all the business and work skills that you want or need to run your home business/work? (Yes/No) (if no:) What types of skills would you like to gain? And I'll read a list of possible skills to help you answer:

- ☐ financial planning and/or management
- ☐ networking/marketing/advertising
- ☐ computer skills
- ☐ organizational skills/time management skills
- ☐ help with regulations affecting my home work/business
- ☐ help with taxes
- ☐ additional training in the work that I'm doing
- ☐ help applying for loans
- ☐ other: \_\_\_\_\_

10. What kinds of office services do you currently use? And again, I'll read a list to help you respond:

- ☐ copying
- ☐ faxing

- ☐ typing or word-processing
- ☐ other computer needs
- ☐ clerical support
- ☐ telephone answering service
- ☐ mailings

Do you feel that your needs in these areas are being met currently? Which of those services would you use if they were more convenient or less expensive?

11. Do you have insurance on your business/work? (Yes/No)

12. Is your current office space adequate for your needs? (Yes/No) (If not,) what type(s) of office or meeting space do you need? (don't read)

- ☐ more general office or work space
- ☐ space to hold meetings
- ☐ space to meet clients
- ☐ storage space
- ☐ studio space
- ☐ other: \_\_\_\_\_

If additional space needed: How many times per month would you need (this additional space)? \_\_\_\_\_

13. Contact with other home businesses:

If you were to meet with other home-based businesses/workers in the neighborhood on a regular basis, do you think you would get something out of this?

What do you think you would get out of it?

14. Finally, I'm going to ask you to answer some questions about financing and the future of your business.

a. How did you finance your home work/business?

- ☐ personal savings
- ☐ loans or gifts from friends, family or relatives
- ☐ loan from a bank
- ☐ microloan for small businesses
- ☐ there were little or no startup costs
- ☐ credit cards
- ☐ other: \_\_\_\_\_

(If more than one category: can you tell me what percentage of the total financing came from each source?)

b. Do you think you will need to borrow money to finance your business over the

next few years? (Yes/No) (Where will you go to borrow money?)

☐ friends, family or relatives

☐ bank loan

☐ microloan from CDC

☐ other: \_\_\_\_\_

15. Do you have a formal business plan? (Yes/No)

(If no:) Why not: (don't read)

☐ don't think I need one

☐ don't know how to prepare one myself

☐ don't want to pay someone else to do it

☐ other: \_\_\_\_\_

16. Where do you see your business in the next five years?

(don't read)

☐ remain the same size

☐ expand your business

☐ reduce the size of your business

☐ quit/sell the business

☐ other: \_\_\_\_\_

(if expand) Do you intent to remain in your home? (Yes/No) What type of facility are you looking for if not?

17. For the purpose of knowing how much income a home-based businesses in the neighborhood generate, I'd like to know within a range how much income you earned from your home-based work/business last year. The ranges are:

☐ \$0 to 5,000

☐ \$5,000 to 10,000

☐ \$10,000 to 30,000

☐ \$30,000 to 50,000

☐ more than \$50,000

18. Are there any other needs for your business you haven't mentioned?

19. If a person is female, person of color or disabled:

Are you interested in loan or grant programs targeted specifically at minority and disadvantaged business owners? This includes women, people of color, and disabled.  
(Yes/No)

20. Do you know any other home-based business or home workers in the Marcy Holmes neighborhood that we could contact for an interview?

That's the end of the survey. Thank you very much for participating. If you are interested in the results of the overall survey, we will put you on the mailing list for follow-up information. (Also give info on microloans if they expressed interest in this).

## Appendix C

### Sample Introductory Letter

9/30/2005

Name and Address

Dear Name:

The Calhoun Area Resident Action Group (CARAG) is conducting interviews of all home-based workers in the neighborhood bounded by Hennepin Avenue, Lyndale Avenue, Lake Street and 36th Street. Home-based businesses are an economic asset and important to the neighborhood. Our goals are to assess the needs of home-based businesses, determine ways the neighborhood can help, and possibly create a directory and/or network of home-based businesses. Once the needs of the home-based workers are known, appropriate methods of assistance can be developed and carried out.

As the research assistant for CARAG, I will be calling you to set up a phone interview at your convenience. The interview will take approximately 15-20 minutes, and can be scheduled in advance for either during the day or evening. We value your input and look forward to learning about what we can do to help your business, and subsequently the neighborhood. ALL RESPONSES ARE CONFIDENTIAL.

We would like to interview as many home-based workers and businesses in the neighborhood as possible. If you have any questions or would like to schedule an interview please call me at ###-####, or I will call you shortly. Thank you for your cooperation.

Sincerely,

Name  
Research Assistant  
CARAG

Appendix D

Sample Thank You Letter

9/30/2005

Name and Address

Dear Name,

On behalf of the Calhoun Area Resident Action Group I would like to thank you again for participating in the home-based business survey in the CARAG neighborhood. As I discovered during the course of the survey, your time is valuable and limited. We appreciate your willingness to take the time to complete the survey.

Enclosed is a copy of the final report. We have learned a great deal about the variety of home-based businesses in the neighborhood. Forty-three home-based businesses have been interviewed and over eighty home-based businesses have been confirmed. We hope you find the report interesting and worthwhile.

If you have additional comments or questions, please contact CARAG. Thanks again for your time and support.

Sincerely,

Laurie Berkwitz  
Research Assistant  
CARAG



# **ATTENTION!!! HOME-BASED BUSINESS OWNERS...**

**If you work from your home full or part  
time in the CARAG Neighborhood** (the area  
bounded by Hennepin Ave, Lyndale Ave, Lake St  
36TH ST), **the Calhoun Area Resident  
Action Group would like to know who you  
are and how we can help**

**Please call XXXX at ###-#### for more  
information about our project  
*Please respond by August 10th***